

Ernst & Young Academic Resource Center (EYARC)

Providing free, leading-edge resources to prepare students for the fast-changing, global marketplace

EYARC access: available exclusively to faculty for nonprofit, higher education purposes at www.ey.com/us/arc. To obtain an EYARC account, contact EYARC Director, Catherine Banks, at catherine.banks@ey.com.

- ▶ Current topics include:
 - Analytics mindset
 - Revenue recognition (ASC 606)
 - Leases (ASC 842)
 - Financial instruments: classification and measurement (ASU 2016-01)
 - Professional judgment
 - Fair value
 - Sustainability reporting
 - Auditing
 - IFRS
- ▶ The content of each curriculum module varies, but typically includes many of the deliverables listed:
 - User guide
 - Lecture notes
 - Slides
 - Examples
 - Homework problems
 - Case studies
 - Data sets and analytic workbooks
 - Videos
- ▶ Ernst & Young thought leadership is also available, including access to AccountingLink, a virtual newsstand of publications on technical accounting guidance and regulatory insights.

Analytics mindset

Analytics is transforming the way business is done.

How?

By providing powerful new insights to inform business decisions.

What's different?

While organizations have always analyzed data to help support business decisions. The difference today is the volume, velocity, variety and veracity of data being analyzed, as well as the computing power of new, advanced analytics technologies.

But what's also different is the importance of the human element of analytics. Analytics is changing the role of the business professional by placing analytics at the heart of all business decisions. As a result, professionals today need an analytics mindset.

What is an analytics mindset?

An analytics mindset is the ability to:

- ▶ Ask the right questions;
- ▶ Extract, transform and load relevant data;
- ▶ Apply appropriate data analytic techniques; and
- ▶ Interpret and share the results with stakeholders.

We offer an introductory module that covers the definition of the analytics mindset and the importance of data and analytics to business. We also offer a competency framework focused on analytics mindset competencies appropriate for students entering the accounting profession.

We offer several multi-part case studies with data sets and solutions, using a variety of analytical tools, including Excel, Tableau and Access. We also provide step-by-step, how to videos to assist with instruction on how to perform select data ETL (extract, transform and load) procedures and analytic techniques.

We offer a series of slides and videos highlighting content from our EYARC Colloquium:

- ▶ The analytics transformation
- ▶ Implication of analytics on professional services
- ▶ Analytics delivery methods
- ▶ Analytics in the corporate environment
- ▶ Capability development
- ▶ Analytics in academia

Revenue recognition (new standard – ASC 606)

The FASB and IASB issued a new revenue recognition standard, *Revenue Recognition – Revenue from Contracts with Customers* (ASC 606 (ASU 2014-09) and IFRS 15). We offer a module that provides a broad overview of the new standard and includes a user guide, lecture notes, examples, slides, overview handout, homework problems, behind the scenes and four cases studies.

Leases (new standard – ASC 842)

The FASB issued a new standard, ASC 842 (ASU 2016-02), *Leases*, which provides new guidance about accounting for leases. The FASB issued this guidance after joint deliberations with the IASB, which issued a similar standard, IFRS 16, *Leases*. We offer one module that covers a broad overview of the new standard, highlights major changes from US GAAP under ASC 840 and highlights major differences with IFRS under IFRS 16. The module includes a user guide, lecture notes, slides, examples and homework problems.

Financial instruments: classification and measurement (new guidance – ASU 2016-01)

The FASB issued new guidance for classification and measurement of financial instruments, *Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01). We offer a module that provides a broad overview of the new guidance and includes a user guide, lecture notes, slides, examples and homework problems.

Professional judgment framework

Professional judgment skills have never been more important for professionals to operate successfully in an environment of increasing risk and complexity. This curriculum helps provide students with an understanding of common biases that can interfere with their ability to make a strong professional judgment. Students are also provided with a framework that allows them to use a process to address appropriate considerations to make professional judgments, which can be easily applied to accounting and auditing scenarios. We offer one module covering the professional judgment framework that includes a variety of application scenarios (cases) for making judgments in the following areas: allowance for doubtful accounts, inventory lower of cost or market, property, plant and equipment impairment, intangibles: useful life determination, debt refinancing: modification or extinguishment, Environmental obligations, goodwill impairment (qualitative assessment), accounting for income taxes: valuation allowance, fraud risk assessment and loss contingency for asset expropriation.

Fair value

Fair value standards are now converged under ASC 820. As the use of fair value continues to increase, as well as the risk and complexity surrounding fair value measurements, it is important to continue to build the knowledge of students in this area. We offer three modules that cover the definition of fair value, the fair value framework, the fair value hierarchy, fair value disclosures, the valuation process and auditing considerations surrounding fair value measures.

Sustainability reporting

Going beyond our joint roles to educate about doing the right thing, with the increased demand for accountability and overall interest in the reduction in business risk and value creation surrounding sustainability, the expectation that business professionals have knowledge and perspective around sustainability reporting is becoming a priority. Our goal is to provide you with resources to support the integration of this subject matter into your curriculum. We offer three modules that cover the definition of sustainability, the evolution of sustainability reporting, trends in sustainability reporting, sustainability reporting frameworks, key performance indicators and auditing considerations surrounding sustainability reporting.

Audit

The role of the auditor continues to evolve driven by efforts to enhance audit quality, to expand assurance over non-financial information, to operate in a more regulated environment and to embrace innovation. Our curriculum seeks to keep students educated on the importance of the assurance function within the capital markets and to understand and embrace the expectations of auditors in the business world despite the increase in the demands on the profession. We also want students to possess the leading-edge skills required by assurance professionals to navigate through a global business world with more complexities, bigger data, changing risks, new technologies and other evolving traits.

Many of our curriculum topics include content that can be integrated into an audit course. These include the following: the analytics mindset, the impact of IFRS on the audit function; auditing fair value measures; sustainability reporting auditing considerations; and the professional judgment framework – this module includes many cases that focus on auditing judgments. Beyond these topics, additional audit content is available:

- ▶ Information produced by the entity (IPE) – IPE is used in the audit process and can result from transaction processes or from IT processes. Recent PCAOB inspections and peer review results indicate that auditors may not always be performing the appropriate audit procedures to evaluate whether the IPE is sufficiently reliable for the auditor’s purposes, including obtaining audit evidence about the completeness and accuracy of the IPE and evaluating whether the evidence is sufficiently precise and detailed for the auditor’s purposes. We offer one module with a user guide, lecture notes, slides, examples and homework that helps students gain awareness about what IPE is, understand the flow of IPE from a transaction process or IT process along with the associated audit risks, and finally, what audit procedures can address these risks.
- ▶ Anatomy of a fraud – This includes lecture, discussion exercises and video footage from an interview with David Meyers, Controller, regarding the WorldCom fraud. It offers an opportunity for students to think critically about the causes of fraud and their personal ethical responsibilities.
- ▶ Analytical review – A case that asks students to perform analytical review procedures on revenue.